

VZCZCXRO9177
RR RUEHBZ RUEHJO RUEHMR RUEHRN
DE RUEHSB #0944/01 3410944

ZNR UUUUU ZZH
R 070944Z DEC 09
FM AMEMBASSY HARARE
TO RUEHC/SECSTATE WASHDC 5186
INFO RUCNSAD/SOUTHERN AF DEVELOPMENT COMMUNITY COLLECTIVE
RUEHAR/AMEMBASSY ACCRA 3190
RUEHDS/AMEMBASSY ADDIS ABABA 3299
RUEHRL/AMEMBASSY BERLIN 1726
RUEHBY/AMEMBASSY CANBERRA 2560
RUEHDK/AMEMBASSY DAKAR 2929
RUEHKM/AMEMBASSY KAMPALA 3347
RUEHNR/AMEMBASSY NAIROBI 5795
RUEHG/USMISSION GENEVA 2478
RUEAIIA/CIA WASHDC
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UNCLAS SECTION 01 OF 03 HARARE 000944

AF/S FOR B. WALCH
ADDIS ABABA FOR USAU
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NSC FOR SENIOR AFRICA DIRECTOR
STATE PASS TO USAID FOR L.DOBINS AND J. HARMON
COMMERCE FOR ROBERT TELCHIN

SIPDIS

E.O.12958: N/A
TAGS: PGOV PREL ASEC PHUM ECON ZI
SUBJECT: ZIM NOTES 12-07-2009

¶1. SUMMARY

Topics of the week:
South Africans Mediate Talks...
ZANU-PF Congress Rescheduled for December 8...
Disunity in the Unity Government...
Ambassador's Vehicle Detained by Police...
Threats Escalate in Mudzi...
Cholera Epidemic Less Severe...
Uncertainty for Chiadzwa Residents Continues...
Journalists' Union Holds Congress, Venue Kept Secret...
Zimbabwean Wins Prestigious Literary Award...
No Women Allowed...
Biti's Budget Blowout...
High Gold Price Spurs Production...
Tourist Arrivals Increase...

On the Political and Social Front

¶2. South African mediators representing President Jacob Zuma were in Harare this week to talk to ZANU-PF and the two MDCs. We understand they were mostly in listening mode. Zuma will report to the SADC Troika which will obviously not meet its goal, established in Maputo at the Troika Summit on November 5, of resolving outstanding issues by December 5. With the ZANU-PF Congress beginning next week and the Christmas season approaching, it's unlikely there will be any resolution before January.

¶3. The ZANU-PF Congress, held every five years to elect party officials and set policy, was originally scheduled for December 8. A couple of weeks ago, party officials announced they were postponing it a week. The ostensible reason was a conflict at the venue with an already-scheduled international civil aviation conference. Some suspected the delay was motivated by the inability of the party to raise the necessary funds. Now the Congress has been rescheduled for the original date of December 8. The reason: President Robert

Mugabe, who never misses, in the face of travel bans, an opportunity to travel to the West, intends to attend the United Nations Climate Change Conference in Copenhagen the following week. The civil aviation conference has been moved.

¶4. According to a Danish diplomat in Harare, Mugabe and Prime Minister Morgan Tsvangirai will lead separate delegations to Copenhagen. Zimbabwe will be the only country represented with two delegations.

¶5. Ambassador Ray's vehicle was detained at a police roadblock in Harare for over an hour on November 28 (he was not in the car). The LES driver of the vehicle immediately notified the embassy and the ARSO arrived on the scene. Police at the roadblock admitted that they couldn't search the vehicle, but said they had been ordered to do so by a superior officer who passed the roadblock just ahead of the Ambassador's car. After numerous phone calls, the driver and vehicle were eventually allowed to leave. We protested to the MFA, where officials appeared to be unaware of the incident when meeting with Ambassador Ray this week. See Harare 929.

¶6. There were disturbing reports this week from Mudzi, Mashonaland East, that villagers were called to a venue supposedly to be given seed only to find on arrival that it was a ZANU-PF meeting, with no Qseed only to find on arrival that it was a ZANU-PF meeting, with no seed in sight. Those gathered were threatened they must "surrender" from the MDC, and that the MDC and Tsvangirai are rubbish. They were also told that they must vote for the Kariba draft constitution.

¶7. USAID-funded cholera prevention measures, such as provision of water purification kits, have contributed to a dramatic decrease in

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cholera incidence and mortality versus last year. The total number of cases of cholera reported this year is only 1.5% of that reported at the same time last year: 146 cases, compared to 9,908 in November ¶2008. Similarly, only five have died from cholera this season, compared to 412 deaths by the end of November 2008. The good news is tempered by the fact that the case fatality rate for those contracting cholera has not declined as dramatically, just a 19% decrease, suggesting the health system's capacity to treat cholera has not improved as much as cholera prevention over the same period.

¶8. Despite reports in The Herald this week that investors in Chiadzwa have allocated US\$10 million to relocate roughly 4,000 villagers living near the lucrative Chiadzwa diamond fields, Chiadzwa residents remain in the dark about their future. Local NGOs told us the community has appealed to the government to request artisanal mining plots and for formal communication about the government's plan to move them. However, their letters remain unanswered.

¶9. The Zimbabwe Union of Journalists' (ZUJ) elective congress begins December 4, but ZUJ has kept the venue secret to members "because some politicians have sponsored candidates in a bid to undermine the union's independence." A committee member from the previous executive did not have information about the venue late on December 3 and said he had given up on the organization. ZUJ is the largest union of journalists with membership from both government-controlled and privately-owned media.

¶10. Petina Gappah, a Zimbabwean single mother working in Geneva as a trade lawyer, received The Guardian's First Book Award this week in recognition of her impressive collection of short stories, "An Elegy for Easterly." Gappah's collection of stories has been praised for its heart-warming, tragic, endearing, and often funny accounts of Zimbabweans' every day struggles.

¶11. During a recent visit to Bulawayo (see Harare 938) we were dismayed that our beautiful hotel, the Bulawayo Club, refused to allow women in the bar. During our visit, hotel staff enforced the archaic rule by forcing an Australian diplomat also staying there to leave the bar, despite her diplomatic protests. The gentlemen's club was founded in 1895 and fell into serious disrepair until it was

restored as a hotel, partly in preparation for the 2010 World Cup. When we booked our stay, we didn't realize the colonial architecture also meant a step back in time to colonial-era gender-based discrimination. We joined our Australian colleague in complaining to the hotel management.

On the Economic and Business Front

¶12. Finance Minister Tendai Biti presented his 2010 budget to Parliament on December 2. Spending is set to rise by 57 percent over 2009, driven by a 50 percent increase in the public-sector wage bill Q2009, driven by a 50 percent increase in the public-sector wage bill and an ambitious investment budget. The projected deficit is over 14 percent of GDP by Biti's estimates and even bigger if the IMF's projection for GDP is used. Biti plans to close the gaping budget hole with donor commitments and by selling more than half of the Reserve Bank's SDRs. So much for fiscal prudence. See Harare 941.

¶13. The price of gold continues to rise, underpinned by high demand for the metal amid fears brought about by Dubai's debt problems. Demand for gold is also buoyed by persistent hopes that more central banks, especially China, will diversify reserves by buying gold from the International Monetary Fund. Such developments bode well for local gold producers who are benefiting from the liberalization of gold marketing after years of unfavorable operating conditions. As a result, the country is expected to produce 4.5 tons of gold in 2009

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compared with 3.5 tons produced in 2008.

¶14. Following the formation of the transitional government and an improvement in the socio-economic environment, the number of tourist arrivals has started to climb. Figures from the Zimbabwe Council of Tourism show that 362,000 people visited Zimbabwe in the first eight months of 2009 compared with 200,000 visitors in the corresponding period of 2008. With the soccer world cup tournament in South Africa fast approaching, the number of tourist arrivals is expected to rise further in 2010.

Quote of the Week

¶15. "We know that they (Botswana and the U.S.) have recently completed upgrading a transmitter site with the specific intention of upgrading the media terrorism against Zimbabwe and its people."
-- George Charamba, Permanent Secretary in the Ministry of Media, Information, and Publicity, accusing the U.S. and Botswana of using Voice of America and its Botswana-based transmitter to 'beam hate messages' into Zimbabwe, The Herald, December 4, 2009.

RAY